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C O N F I D E N T I A L SECTION 01 OF 03 ASUNCION 001390

SIPDIS

STATE PASS TO USAID FOR LAC/AA
NSC FOR SUE CRONIN
TREASURY FOR OTA WARFIELD, VAN KOCH, MILLAR
SOUTHCOM FOR POLAD DAN JOHNSON

E.O. 12958: DECL: 08/19/2015

TAGS: [PREL](#) [PGOV](#) [KCRM](#) [SNAR](#) [PINR](#) [PA](#)

SUBJECT: PARAGUAY: CABRAL, CORRUPTION, AND U.S. POLICY

Classified By: Charge Kevin M. Johnson for reasons 1.4 (b) and (d).

Summary

1. (C) On 10/26, post learned of a new attempt to promote corrupt police official Aristides Cabral with a Senate vote on 10/27, the day of Ambassador Keane's departure from Paraguay. The Embassy moved quickly with the Vice-President and other senior GOP officials as well as key Senators to stop the promotion. After much back and forth, the Senate voted not to promote Cabral, effectively ending his police career. However, President Duarte allowing this vote to occur after promising us Cabral's career was over, and the support of almost all Colorado Party Senators, call into question the GOP's willingness and/or ability to turn the page on corruption. Charge stressed our concern over this issue to Acting President Castiglioni on 11/3, noting that relations would have been seriously damaged had Cabral been promoted. Charge concluded that this incident signaled that Colorado Senators (and possibly, the President) were misreading the USG. Castiglioni offered that Duarte had made a "mistake" and promised to clarify our position. Mounting political pressures could threaten much of what has been achieved in Paraguay. Post suggests the USG be prepared to counter these pressures in coming months. End Summary.

Unpleasant Surprise on Cabral

2. (C) On 10/26, post learned that Senator Carlos Filizzola of the socialist Country in Solidarity Party (PSS) had exercised his prerogative as Senate President to place the promotion of police official Aristides Cabral on the Senate's agenda on 10/27 (without going through the normal procedure of seeking agreement of party leaders). (Note. Post has evidence that Cabral is corrupt and has provided notorious drug traffickers with protection. Last year, the President allowed his name to go forward to the Senate on a list of police officials recommended for promotion, despite having been briefed on Cabral by the Ambassador. The Embassy lobbied Senators to vote against Cabral. Cabral's Colorado Party supporters decided to suspend consideration of Cabral's promotion after they realized they didn't have the votes to win. After ensuing demarches, both here and in Washington, President Duarte promised the Ambassador personally that he would ensure Cabral would not be promoted nor given a job of any substance. End Note.)

All Out Lobbying Effort ...

3. (C) Upon learning that Cabral's promotion had been placed on the Senate agenda, the Embassy took up a full court press to prevent this from happening. Ambassador Keane called Vice-President Castiglioni and put in a call to President Duarte (Duarte never returned the call) urging that the President exercise his prerogative to withdraw the recommendation for Cabral's promotion and thus prevent a vote in the Senate. The DCM called acting FM Gimenez, Finance Minister Bergen, Duarte confidant Da Rosa (Colorado Party bench leader in the House of Deputies), and senior Presidential advisor Walde. Polcouns called senior Senate leaders from the governing Colorado Party and the opposition parties. Visiting FBI Director Mueller took up the issue in his meetings with VP Castiglioni, Interior Minister Benitez, and Paraguayan National Police (PNP) Chief Isasa. Castiglioni assured us he opposed Cabral's promotion. He maintained that "if they could not block Cabral's promotion, the President would deny him an assignment and push him to retire." He asked that we keep this "fall-back" position confidential.

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... Barely Turns the Tide

14. (U) After much back and forth, particularly within the ranks of opposition parties debating whether to walk out to deny the vote a quorum, the motion to promote Cabral was voted down 20-16. Amongst those who voted to promote Cabral were 13 Senators from the governing Colorado Party, the two PPS Senators including Senate President Filizzola, and Liberal Party dissident Sen. Laino, notorious for his anti-American bent. The vote to deny the promotion enjoyed the support of 18 Senators from the opposition parties plus two Colorado Senators who broke ranks after we and VP Castiglioni intervened. Another Colorado Senator, Osvaldo Dominguez Smith (whose father Osvaldo Dominguez Dibb is challenging Duarte for Party President), decided to absent himself from Congress to avoid keeping his commitment to the Colorado Party Senate leadership to vote in Cabral's favor.

Clarifying Red Lines for VP

15. (C) On 11/2 CDA met privately with VP (Acting President) to stress the seriousness of this issue, noting that relations would have been seriously damaged had Cabral been promoted. The fact that the President allowed the vote to happen after all that had passed before, including Duarte's personal assurances, was troubling. Overwhelming Colorado support for Cabral in the Senate meant that Colorado leaders (and possibly the President) either misunderstood or dismissed the USG position. The VP had to understand that, while we do not expect corruption to disappear overnight, there are limits to what the USG can accept and still be an active supporter of the GOP; direct GOP support to narcotics traffickers crosses a red line, and promoting Cabral was in that category, as we had made absolutely clear. There were Colorado and other politicians linked to traffickers, CDA continued, and they would continue to seek GOP support and protection; the President's friends should urge him to resist such pressure. U.S. policy in the future would continue to depend on GOP actions.

16. (C) Castiglioni reiterated his long-time opposition to Cabral's promotion, saying he was totally surprised when this happened, and very relieved when "his and our intervention" worked. Duarte clearly made "at least two mistakes," he said, "one in not withdrawing the promotion proposal months ago, and another in not resisting Senate pressures now." The VP said Duarte often makes mistakes and acts rashly (citing NDF's earlier incitement of land invasions and the Casado expropriation) and assumed that had happened here. Perhaps someone had pleaded for the chance to help an old friend and asked that NDF not allow the "yanquis" to intervene in such decisions, he speculated. He pleaded ignorance as to why Cabral enjoyed such support in the Senate, claiming that Colorado Senators Rachid and Fanego were his champions, but he didn't know why (sic). He speculated that other Senators had just gone along. (Note: The VP pointedly did not mention Colorado Senate leader Galaverna, a major Duarte ally and Cabral supporter. End Note.) The VP claimed Duarte was "absolutely moral, and any mistake was not a lack of political will." He said he understood and would pass on our message and hoped cooperation would continue to grow, asking that we remain in close contact.

Avoiding the Worst Case

17. (C) The Senate vote to deny Cabral's promotion means Cabral's career as a police official effectively ends in December of this year. This is excellent news. The fact that this issue ever even came up for a vote -- and that it did so on the day Ambassador Keane was departing -- is disturbing. President Duarte had assured Ambassador Keane that Cabral would never be promoted when rumors were circulating several months ago that he was under consideration for assignment as police chief in Ciudad del Este. Paraguay's Ambassador to the U.S. gave the Department similar assurances, as did the Deputy Foreign Minister. The President could have withdrawn Cabral's name from Senate consideration at any time, including up through the day it came up for a vote in the Senate. He declined to do so.

Pressure on Duarte?

18. (C) It is inconceivable the Colorado Party leadership in the Senate would have moved on a subject as controversial as Cabral's promotion without the President's knowledge. According to one Embassy contact, Castiglioni tried to convince Duarte to withdraw Cabral's name, but Duarte was insistent the matter come to a vote. According to Colorado Sen. Dominguez, powerful Colorado Senators were insistent Duarte allow this vote go forward or face "serious consequences." When asked to explain the reason for the overriding Colorado Senate support for Cabral, Dominguez

responded that Cabral knows lots of secrets and has done lots of favors creating a constituency amongst powerful politicians who either feel they owe him something or are afraid he has something on them.

A Step Back When Caught

19. (C) It is not clear whether the Colorado Senators connived to promote Cabral with Duarte's blessing or gave him no choice but to lend it tacit support. After we discovered the surprise vote, Castiglioni told us that the President would make Cabral retire even if the Senate promoted him. We'll never know if such a plan was real or simply a response to being "caught" before the promotion plan succeeded. Either way, this is a sobering reminder of the threats to reform.

Policy Implications: Stick As Well As Carrot

10. (C) Long arguing that USG support for Duarte was a wager rather than a sure thing, we are not shocked at continued corruption. This incident reinforces, however, the need for nuanced U.S. policy that balances support for reforms with clear signals as to what we cannot accept. The Cabral case, while troubling in its own right, is more important as an example of a very corrupt political culture and the need for direct U.S. pressure to counter other interests. Ironically, Duarte and his supporters are increasingly vocal in asking why the USG doesn't provide more support in light of GOP efforts against corruption and narcotics trafficking. While reminding GOP of extensive support in many areas, we need to call attention to major problems as well as the importance we attach to concrete steps such as adoption of anti-money laundering legislation.

11. (C) U.S. approval is invaluable politically in Paraguay and we should continue to ensure Duarte and his party don't take it for granted. Department may wish to remind Ambassador Spalding of his earlier assurances on Cabral, and point out USG concern over this case and what it says about GOP and Colorado willingness to fight corruption. Post is not/not suggesting we reduce support at this time. With Colorado internal elections coming and other elections to follow, however, the pressures against reform are mounting; the USG is one useful source of counter pressure.
JOHNSON